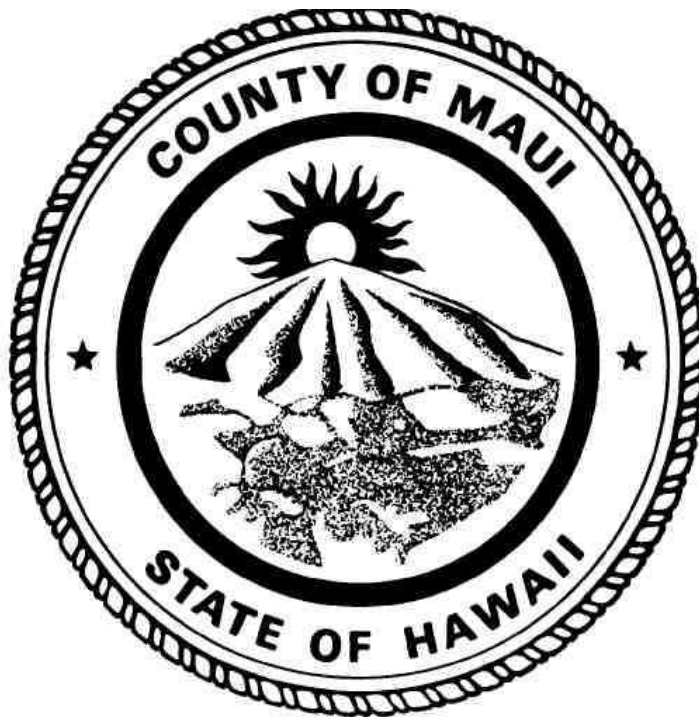


Revenue Overview



Major Revenue Sources

The total estimated revenues from County funds for Fiscal Year 2007 is \$467.5 million, a 20% increase from Fiscal Year 2006. Total estimated revenues from county funds are used to provide the funds for government operations and capital improvement projects.

The major sources of operating revenue for the County of Maui are: Taxes, which include Real Property Tax, Transient Accommodation Tax, Public Service Tax, Fuel Tax, Franchise Tax and Weight Tax, and charges for services for sewer and cesspool rates, landfill disposal, refuse collection and water service fees.

The estimated revenues from these sources are collected by the General Fund, Highway Fund, Wastewater Fund, Solid Waste Fund and Water Supply Fund.

The charts presented in this section reflect actual and budgeted revenue for the last ten years. The budgeted revenue and mid-year revised estimate, as of December 31, 2005, are reflected as Fiscal Year 2006. Estimated revenue for the proposed budget is shown as Fiscal Year 2007.

GENERAL FUND

The estimated 2007 revenues for the General Fund are \$279.4 million, which comprise approximately 60% of total County funds estimated revenues. The General Fund estimated revenues consist of the following major revenue sources: Real Property Tax, Transient Accommodation Tax, and Public Service Tax.

Real Property Tax

Real property tax revenue is the most significant revenue source for the county and is the largest revenue component of the General Fund. The real property tax is based on projected valuations of real property with different tax rates for various classifications of property.

The estimated real property tax for Fiscal Year 2007 was based on the projected valuation of real property at \$37.2 billion. Changes in the tax rates as proposed in this budget include the following: a 38.9% decrease in the homeowner classification, an 11.2% decrease in each of the classifications for improved residential and apartment dwellings, and a range of decreases for other property classifications.

The estimated revenue from real property taxes is \$200 million, which represents 71.6% of all General Fund revenues, and 42.8% of the county's revenues. The Fiscal Year 2007 estimated revenues reflect an increase of \$38.3 million over Fiscal Year 2006 Budget of \$161.7 million. The increase in real property tax revenue is the result of continued increases in real property sales prices, which directly impact the real property valuations.

The revenue estimate is also adjusted for the Circuit Breaker Tax Credit Program. This program, which limits a homeowner's real property tax bill to 3% of their adjusted gross income, reduces anticipated revenue by \$1.3 million in Fiscal Year 2007.

Transient Accommodations Tax

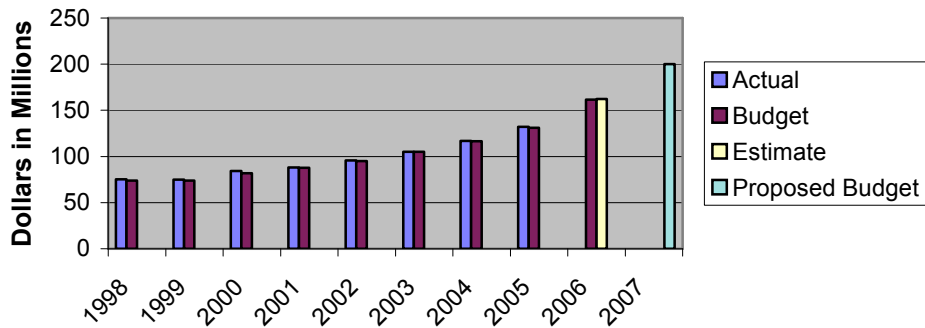
Effective January 1, 1999, the 7.25% transient accommodations tax (hotel room tax) collected by the State of Hawaii, is distributed as follows: 1) 55.2% of the revenue is deposited into the state's convention center capital and operations special fund; 2) of the remaining revenues, 44.8% is distributed to the counties, of which the County of Maui receives 22.8%.

The estimated revenues for Fiscal Year 2007 of \$20.2 million represent 7.2% of all General Fund revenues, and 4.3% of the entire county's revenue.

Estimated revenues for Fiscal Year 2007 reflect an increase of \$1.3 million over the Fiscal Year 2006 Budget of \$18.9 million, a 7.0% increase.

FISCAL YEAR 2007 REVENUE OVERVIEW

Real Property Tax

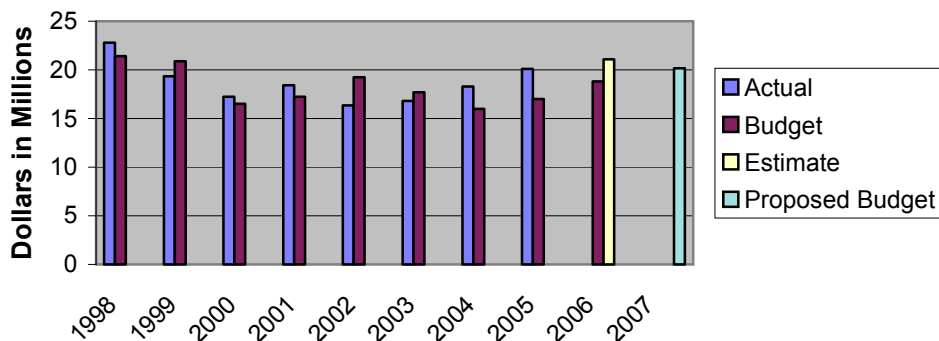


FY 2006 Budget:	\$ 161,701,061
FY 2006 Estimate:	\$ 162,221,101
FY 2007 Proposed Budget:	\$ 200,030,372

The tourism industry in the County of Maui is continuously growing. Total Maui Island arrivals during 2005 were up 2.7% through June with hotel occupancies running into the 80%

range, which contributed significantly to the increasing revenue collections for this tax. However, the tourism industry is a volatile industry, so caution was exercised in estimating future revenues.

Transient Accommodations Tax



FY 2006 Budget:	\$ 18,840,000
FY 2006 Estimate:	\$ 21,190,000
FY 2007 Proposed Budget:	\$ 20,150,000

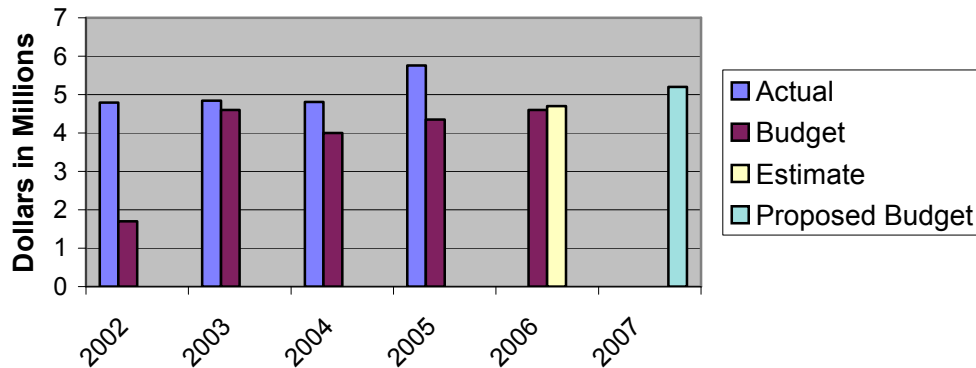
Public Service Company Tax

Included in the taxes category for the General Fund is the Public Service Company tax. This tax, which is levied against public utilities provides for a tax of 1.885% of the gross income in lieu of real property tax. Collections of the Public Service Company tax started in the Fiscal Year 2002.

The estimated revenue for Fiscal Year 2007 of \$5.2 million is a 13% increase over the Fiscal Year 2006 Budget.

FISCAL YEAR 2007 REVENUE OVERVIEW

Public Service Company Tax



FY 2006 Budget:	\$	4,600,000
FY 2006 Estimate:	\$	4,700,000
FY 2007 Proposed Budget:	\$	5,200,000

HIGHWAY FUND

The estimated revenue for the Highway Fund for Fiscal Year 2007 is \$41.3 million, which represents 9% of the total county estimated revenues. The fuel, franchise and weight taxes are the major revenue sources for this fund.

Fuel Tax

The estimated revenues of \$12.0 million represent 29.1% of all Highway Fund revenue and 2.6% of the estimated revenues for the County. Fuel tax is based on the number of gallons of fuel purchased. As the cost of gasoline increases, potentially the volume of gasoline purchases may decline and that may result in less fuel tax collections.

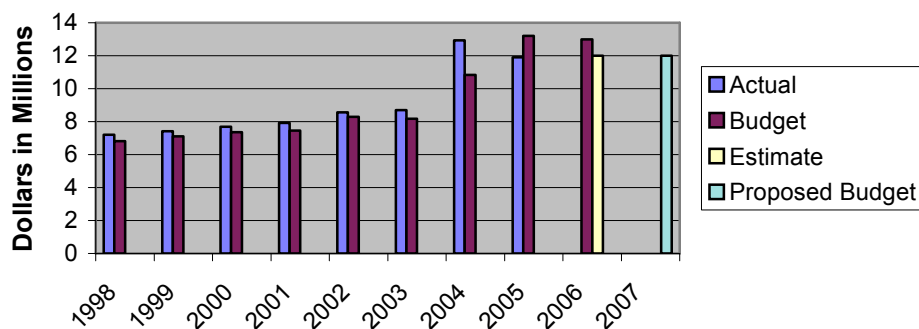
Franchise Tax

The Franchise Tax is collected from a tax on 2.5% of annual gross receipts from electric light and power companies operating as public utilities in the County of Maui.

Fluctuations of Franchise Tax collections may be due to the increased cost of fuel.

The estimated revenue for Fiscal Year 2007 of \$7.1 million is an increase of \$1.1 million, or 17.6% higher than the Fiscal Year 2006 Budget.

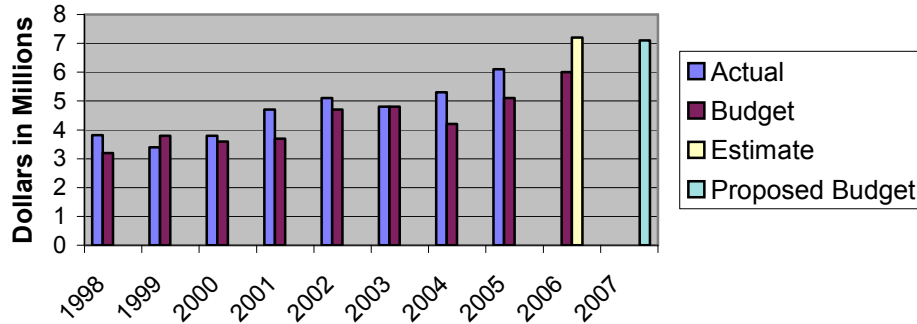
Fuel Tax



FY 2006 Budget:	\$	13,009,142
FY 2006 Estimate:	\$	12,080,000
FY 2007 Proposed Budget:	\$	12,080,000

FISCAL YEAR 2007 REVENUE OVERVIEW

Franchise Tax



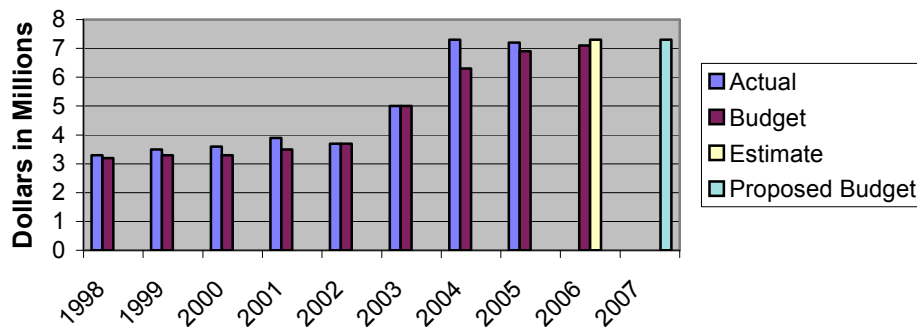
FY 2006 Budget:	\$	6,039,000
FY 2006 Estimate:	\$	7,254,000
FY 2007 Proposed Budget:	\$	7,100,000

Weight Tax

The weight tax is collected at a rate of \$0.0125 (one and one-fourth cents) per pound of net weight for passenger vehicles, trucks and non-commercial vehicles not exceeding 6,500 pounds, and \$0.02 (two cents) per pound of net weight for all other motor vehicles, with a minimum tax for any motor vehicle of \$6.

The estimated revenue for weight tax for Fiscal Year 2007 of \$7.3 million is 3.0% higher than the estimated revenue for Fiscal Year 2006.

Weight Tax



FY 2006 Budget:	\$	7,111,000
FY 2006 Estimate:	\$	7,324,439
FY 2007 Proposed Budget:	\$	7,324,330

FISCAL YEAR 2007 REVENUE OVERVIEW

WASTEWATER FUND

The estimated revenue of the Wastewater Fund for Fiscal Year 2007 is \$57.4 million, which represents 12% of the total County funds estimated revenues. This fund's main revenue source is from sewer and cesspool fees.

Sewer and Cesspool

The sewer and cesspool fees are collected as charges for current services and used to fund the operations and capital improvement projects of the Wastewater Fund.

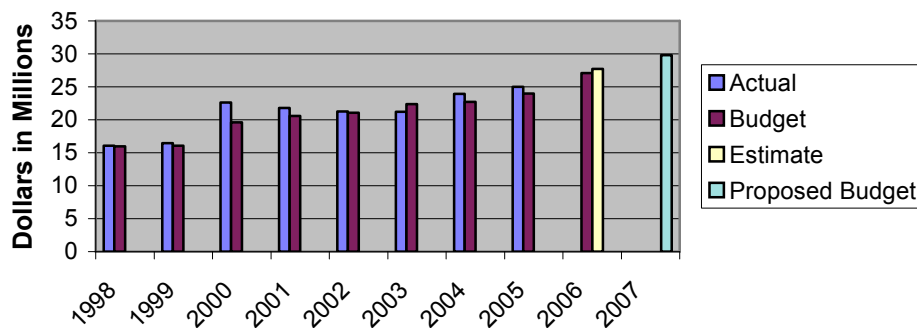
Residential users are charged a monthly base charge and a water usage charge per dwelling unit in accordance with amounts set in the annual budget. Non-residential wastewater

system service charges are also charged a monthly base charge plus a variable charge based on the total amount of water used each billing period.

To meet the needs of rising electricity costs and infrastructure repair and improvements, a 10% increase in sewer user fees, based on the Rate Model Study, is proposed in this budget. The rate increase is proposed to promote self-sufficiency for its operations and capital improvement projects.

The estimated revenue for Fiscal Year 2007 of \$29.9 is 10% higher than the Fiscal Year 2006 Budget.

Sewer and Cesspool Fees



FY 2006 Budget:	\$	27,175,197
FY 2006 Estimate:	\$	27,718,700
FY 2007 Proposed Budget:	\$	29,892,717

SOLID WASTE FUND

The estimated revenue for the Solid Waste Fund for Fiscal Year 2007 is \$24.4 million, or 5% of the total county revenue. The landfill disposal and refuse collection fees are the major source of revenue for this fund.

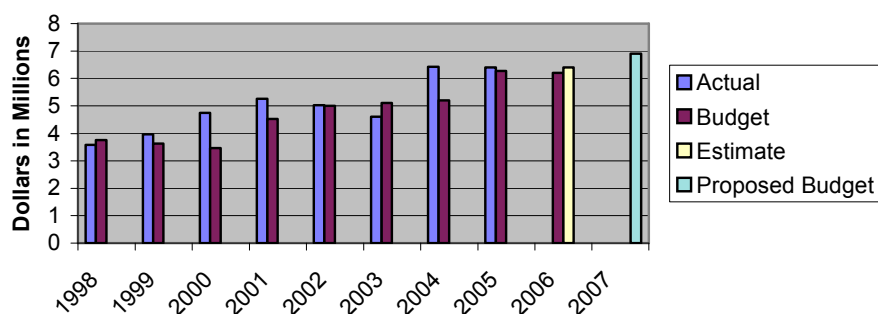
Landfill Disposal Fees

The landfill disposal fee (landfill tipping and permit fees) is collected as charges for current services.

The estimated revenue for Fiscal Year 2007 includes a proposed rate increase for tipping fees from \$43 to \$47 per ton.

FISCAL YEAR 2007 REVENUE OVERVIEW

Landfill Tipping and Permit Fees



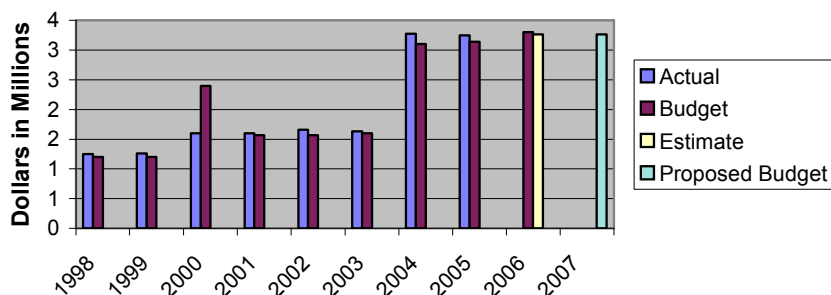
FY 2006 Budget:	\$	6,239,015
FY 2006 Estimate:	\$	6,499,000
FY 2007 Proposed Budget:	\$	6,979,000

Refuse Collection Fees

The refuse collection fees are collected as charges for current services. The current rate for this fee is \$12 per refuse collection unit per month where once or twice-a-week- service is provided.

The estimated revenue for Fiscal Year 2007 is projected conservatively due to a slight decrease in revenue for the half-year period ended December 31, 2005.

Refuse Collection Fees



FY 2006 Budget:	\$	3,300,000
FY 2006 Estimate:	\$	3,260,000
FY 2007 Proposed Budget:	\$	3,260,000

WATER SUPPLY FUND

The estimated revenue for the Water Supply Fund for Fiscal Year 2007 is \$60.4 million or 13% of the total county funds estimated revenues.

Water Service Fees

The water service fees are the primary source of revenue for the Department of Water Supply.

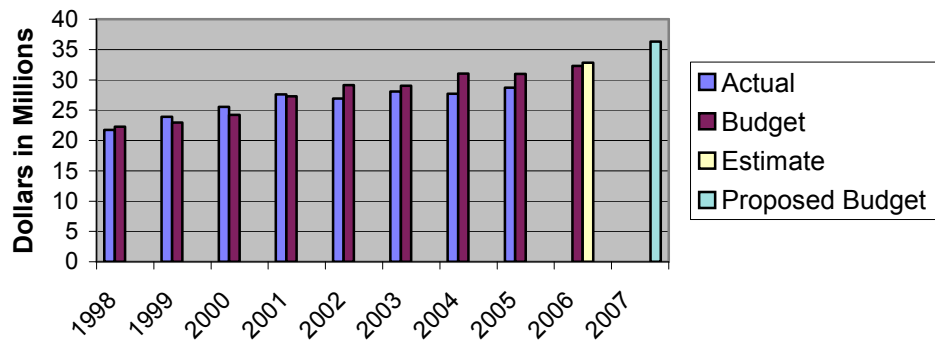
This fee is charged to customers on a bi-monthly basis for water usage, and an accrual for

unbilled water revenue is made based on the estimated usage from the meter reading date nearest June 30th to the end of the fiscal period.

The estimated revenues for the Water Supply Fund include a proposed 12% increase by the Department of Water Supply to promote self-sufficiency based on their operating and capital improvement project needs. The estimated revenue for the Water Service Fee of \$36.3 million is 12.5% higher than the Fiscal Year 2006 Budget.

FISCAL YEAR 2007 REVENUE OVERVIEW

Water Service Fees



FY 2006 Budget:	\$	32,288,450
FY 2006 Estimate:	\$	32,819,450
FY 2007 Proposed Budget:	\$	36,310,108